

In the Matter of)	
)	CONSENT AND ORDER
ATLANTIC MUTUAL)	TO LEVY FINE
INSURANCE COMPANY)	
CENTENNIAL INSURANCE)	
COMPANY)	NO. D2000-93
)	
Authorized Insurers.)	

FINDINGS OF FACT:

1. Atlantic Mutual Insurance Company (“Atlantic”) and Centennial Insurance Company (“Centennial”), two units of Atlantic Mutual Companies, submitted a rate and rule revision of their commercial inland marine rates, Filing No. 99-168, to the Office of the Insurance Commissioner (“OIC”), with a requested effective date of July 1, 1999. OIC approved Filing No. 99-168 on July 12, 1999, effective July 1, 1999.
2. Atlantic and Centennial submitted a rate and rule revision of their commercial earthquake rates to OIC, Filing No. 99-183A, with a requested effective date of October 1, 1999. OIC approved Filing No. 99-183A on January 11, 2000, effective October 1, 1999.
3. On November 2, 1999, in settlement of another enforcement action by the OIC, Atlantic and Centennial executed a Consent Order, No. D99-106, wherein the companies admitted to having failed to adopt Washington Surveying and Rating Bureau loss cost revisions as their June 9, 1995 Filing No. 95-156 indicated they would, in violation of RCW 48.19.040(6).
4. On February 2, 2000, approximately four months after the effective date of Filing No. 99-183A, and approximately seven months after the effective date of Filing No. 99-168, Atlantic/Centennial notified OIC that they had not implemented Filings No. 99-168 and 99-183A.
5. Some time thereafter, OIC received two letters from Atlantic/Centennial dated February 7, 2000, requesting that the effective dates of Filings No. 99-168 and 99-183A be changed to April 1, 2000. Subsequently OIC received a letter from Atlantic/Centennial dated March 31, 2000, requesting that the effective dates of Filings No. 99-168 and 99-183A be revised to July 1, 2000.

6. Atlantic and Centennial have continued to use the rates in effect prior to Filings No. 99-168 and 99-183A, despite the fact that the effective dates of those filings were July 1, 1999 and October 1, 1999, respectively, and OIC never approved other effective dates.
7. On February 10, 2000, OIC wrote to Atlantic/Centennial requesting a list of all policies issued after the effective dates of Filings No. 99-168 and 99-183A which used other than approved rates, particularly the rates in effect prior to the effective dates of Filings No. 99-168 and 99-183A.
8. Atlantic and Centennial did not provide a complete response to OIC's request for information until April 3, 2000, although the companies did provide OIC with a preliminary response on March 8, 2000, and kept OIC apprised of their progress on providing the requested information.
9. Between October 1, 1999 and March 14, 2000, Atlantic issued 14 commercial earthquake policies using the rates in effect prior to the effective date of Filing No. 99-183A.
10. Between July 1, 1999 and March 14, 2000, Atlantic issued six commercial inland marine policies using the rates in effect prior to the effective date of Filing No. 99-168.

CONCLUSIONS OF LAW

1. By issuing policies using superceded rates, Atlantic and Centennial committed violations of RCW 48.19.040(6).

CONSENT TO ORDER

Atlantic Mutual Insurance Company and Centennial Insurance Company hereby admit to the foregoing Findings of Fact and Conclusions of Law. Atlantic Mutual Insurance Company and Centennial Insurance Company acknowledge their duty to comply fully with the applicable laws of the State of Washington.

The Commissioner has offered a settlement in lieu of suspending or revoking Atlantic Mutual Insurance Company and Centennial Insurance Company's certificates of registration.

By agreement of the parties, the OIC will impose a fine of \$10,000 on Atlantic Mutual Insurance Company and \$10,000 on Centennial Insurance Company, and will suspend \$5,000 of the Atlantic Mutual Insurance Company fine and \$5,000 of the Centennial Insurance Company fine on condition that:

1. Atlantic Mutual Insurance Company pay \$5,000 of its fine within 30 days of the date of entry of this Order;
2. Centennial Insurance Company pay \$5,000 of its fine within 30 days of the date of entry of this Order;

3. Atlantic Mutual Insurance Company and Centennial Insurance Company implement and comply with all the provisions of the Compliance Plan attached hereto as Exhibit 1.
4. Atlantic Mutual Insurance Company and Centennial Insurance Company commit no further violations of the statutes and regulations that are the subject of this Consent Order for a period of eighteen months from the date on which this Order is entered. The OIC will not impose the balance of the fine nor proceed against Atlantic or Centennial's certificates should they commit isolated, de minimis, violations of the statutes and regulations that are the subject of this Consent Order during the suspense period, as determined by the OIC. Atlantic and Centennial commit to rectifying such violations promptly once they are discovered.

EXECUTED and AGREED this 31 day of January, 2001.

ATLANTIC MUTUAL INSURANCE COMPANY

Title: Senior Vice President

Signed: _____

CENTENNIAL INSURANCE COMPANY

Title: Senior Vice President

Signed: _____

ORDER

Pursuant to RCW 48.05.185, the Insurance Commissioner hereby imposes a fine of Ten Thousand Dollars upon Atlantic Mutual Insurance Company and Ten Thousand Dollars upon Centennial Insurance Company, and suspends Five Thousand Dollars of the Atlantic Mutual Insurance Company fine, and Five Thousand Dollars of the Centennial Insurance Company fine under the Conditions set forth in the Consent to Order section of this Consent Order. Five Thousand Dollars of the Atlantic Mutual Insurance Company's fine and Five Thousand Dollars of the Centennial Insurance Company fine must be paid in full within thirty days of the date of entry of this order. Failure to pay these portions of the fines and to comply with the stated Conditions shall constitute grounds for recovery of the full fine, including the suspended portion, and for revocation of Atlantic Mutual Insurance Company and Centennial Insurance Company's certificates of authority in a civil action brought on behalf of the Insurance Commissioner by the Attorney General of the State of Washington.

ENTERED AT OLYMPIA, WASHINGTON, this 7th day of February, 2001.

MIKE KREIDLER

Insurance Commissioner

By: Carol Sureau

Carol Sureau

Deputy Commissioner, Legal Affairs

Office of the Insurance Commissioner